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SENATE BILL NO. 11**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Finance
on February 19, 2020)

(Patrons Prior to Substitute—Senators Ebbin, Petersen [SB 26], and Locke [SB 198])

*A BILL to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 12, consisting of a section numbered 58.1-1745, relating to plastic bag tax; use of revenues.***Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding in Chapter 17 of Title 58.1 an article numbered 12, consisting of a section numbered 58.1-1745, as follows:***Article 12.**Plastic Bag Tax.***§ 58.1-1745. Plastic bag tax.**

A. Any locality may, by duly adopted ordinance, impose upon every consumer of tangible personal property a tax in the amount of five cents (\$0.05) for each disposable plastic bag provided, whether free or for a cost, to the consumer by a retailer in a grocery store, convenience store, or drug store. Such ordinance shall provide for collection, administration, and enforcement of such tax by the locality. The tax shall be collected by the retailer, along with the purchase price and all other fees and taxes, at the time the consumer pays for such personal property. However, beginning July 1, 2020, but before January 1, 2023, every retailer that collects any tax imposed under this article shall be allowed to retain two cents (\$0.02) from every five cents (\$0.05) collected, provided that such discounts are accounted for in the form of a deduction when submitting the tax return and paying the amount due in a timely manner. Beginning on January 1, 2023, every retailer that collects any tax imposed under this article shall be allowed to retain one cent (\$0.01) from every five cents (\$0.05) collected, provided that such discounts are accounted for in the form of a deduction when submitting the tax return and paying the amount due in a timely manner.

B. Any tax imposed under this article shall not apply to the following:

1. Durable plastic bags with handles that are specifically designed and manufactured for multiple reuse;
2. Plastic bags used to carry ice cream, meat, fish, poultry, leftover restaurant food, newspapers, or dry cleaning;
3. Plastic bags used to carry alcoholic beverages or prescription drugs; and
4. Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal bags.

C. Each ordinance imposing the tax shall provide for the tax to become effective on the first day of any calendar quarter. The locality shall, at least six months prior to the date the tax is to become effective.

D. All tax revenue accruing to the locality from a tax imposed under this section shall be used for the purposes of local and regional recycling programs, solid waste and environmental cleanup, water pollution mitigation, or mitigation of pollution and litter.